

Industrial Hemp Licensing

Frequently Asked Questions

Introduction

This document is intended to answer some of the Frequently Asked Questions about South Australia's Industrial Hemp Licensing Scheme. Further information including the *Licence Application Form* and *Guidelines for Licence Applicants* are available from the PIRSA Industrial Hemp Licensing Unit. Phone 1300 799 684 or email PIRSA.IndustrialHemp@sa.gov.au

What is industrial hemp?

Industrial hemp is a plant or any part of a plant (including the seed) from the *Cannabis* genus that has been specifically bred to have tetrahydrocannabinol (THC) levels in the leaves and flowering heads of not more than 1%.

What is industrial hemp used for?

Industrial hemp is cultivated for seed and fibre production. Industrial hemp seed and the oil produced from the seeds can be used in food products, cosmetics and other industrial products, while the fibre and pulp can be used in industrial and consumer textiles, paper and building materials.

Does industrial hemp have psychoactive effects?

The very low concentration of THC in industrial hemp plants means they have none of the psychoactive (mind altering) effects associated with illicit cannabis varieties with higher THC levels.

Why do we need a licensing scheme?

Industrial hemp plants often have the same visual appearance as higher THC varieties of cannabis. A licensing scheme provides a distinction between the legal cultivation of industrial hemp by licensed growers, and cannabis crops grown as an illicit drug.

How does the licensing scheme operate?

PIRSA is responsible for administering the *Industrial Hemp Act 2017* which authorises the possession, cultivation, processing and supply of industrial hemp in South Australia. Applicants can apply for either a possession, cultivation, processing or research licence depending on the activities to be authorised.

Industrial Hemp Licensing Unit
Email: PIRSA.IndustrialHemp@sa.gov.au

Phone: 1300 799 684
pir.sa.gov.au

July 2023



Government of South Australia
Department of Primary Industries
and Regions

Who can be issued with a licence?

Industrial hemp licences can only be issued if the applicant can demonstrate a lawful and genuine purpose for the licence. The applicant and each associate of the applicant must also be deemed to be fit and proper persons by South Australia Police. In addition, properties must be suitable and cultivation sites must not be less than 1 hectare.

Who can be issued with a licence?

Industrial hemp licences can only be issued if the applicant can demonstrate a lawful and genuine purpose for the licence. The applicant and each associate of the applicant must also be deemed to be fit and proper persons by South Australia Police. In addition properties must be suitable and cultivation sites must not be less than 1 hectare.

How do I apply for a cultivation, processing or possession licence?

The *Application Form* is available from the PIRSA Industrial Hemp Licensing Unit and *Guidelines for Licence Applicants* are also available to help applicants with the application process. Phone 1300 799 684 or email PIRSA.IndustrialHemp@sa.gov.au

What activities are authorised by an industrial hemp licence?

An industrial hemp licence provides authorisation for the possession, cultivation, processing or supply of industrial hemp for the purpose of:

- Commercial production
- Use in a manufacturing process
- Food production
- Scientific research, instruction, analysis or study
- Any other purpose approved by PIRSA's Chief Executive.

Authorisation for any combination of activities can be applied for on one Application Form.

Note: A licence is not required to possess, process or supply non-viable seed or plant stems with no leaves, flowering heads or seed present.

An industrial hemp licence cannot provide authorisation for medicinal cannabis or related scientific purposes. Medicinal or related scientific purposes are within the Commonwealth's area of exclusive operation of the *Narcotic Drugs Act 1967*. For further information on the medicinal cannabis licensing scheme administered by the Commonwealth Office of Drug Control www.odc.gov.au/medicinal-cannabis

What are the licensing costs?

The 2023/2024 licence application fee is \$1286 for a 5 year licence. South Australia Police probity check fees are \$237 per person for the applicant and each associate of the applicant.

The fee for inspections and crop sampling for THC analysis is \$165 per hour. Laboratory testing fees are also paid by the licence holder and are subject to change but the approximate cost is \$275 per sample. Laboratories often require upfront payment for their services.

How are licence applications assessed?

A detailed description of the proposed cultivation, processing, possession or research activities is required to determine if there is a lawful and genuine purpose for the licence. Included in the assessment process is an allowance of up to 60 days for South Australia Police to conduct required probity checks on the applicant and each associate of the applicant. This is an essential requirement to verify whether an applicant or associate has a history of drug related or other offences. If the Commissioner of Police opposes an application, a licence will not be issued.

How long does a licence last?

Up to five years.

What is a South Australia Police probity check?

Probity checks are conducted by SA Police to determine whether the applicant and each associate of the applicant are suitable persons to be involved with the cultivation or processing of industrial hemp. To facilitate the probity checks, licence applicants are required to provide the name, address, date of birth and offence history for the applicant and for all associates of the applicant. The name, address and date of birth for relatives and current employees of the applicant must also be provided for assessment by SA Police at their discretion. If the Commissioner of Police opposes an application, a licence will not be issued.

How does the licensing scheme operate?

Licence holders are required to comply with the *Industrial Hemp Act 2017* and the Licence Conditions prescribed in the *Industrial Hemp Regulations 2017*. Industrial hemp can only be grown from certified hemp seed, which is seed that will typically produce hemp plants with a concentration of THC in the leaves and flowering heads of not more than 0.5%. Independent crop testing is conducted by PIRSA inspectors to verify the THC content of all industrial hemp crops.

What are the licence conditions?

Licence conditions include notifying PIRSA of the crop location 28 days prior to sowing, ensuring adequate labelling of seed stored on the premises, destroying crop residue and volunteer plants, providing industrial hemp sowing, harvest, processing and supply reports, supplying viable seed to licence holders, employing suitable persons, notifying PIRSA and SA Police of any theft, independent THC testing of each crop and safe transport of industrial hemp.

Why do all industrial hemp crops need to be tested for THC?

All industrial hemp crops are tested for levels of THC at the expense of the grower. This is required as evidence that the industrial hemp crop is being produced with THC levels below 1% as required by the Act and Regulations. Agronomic factors such as soil type, nutrition, sunlight hours and moisture can all influence THC levels and result in THC levels rising above 1% unintentionally. Testing also provides authorities with evidence that illegal (high THC) forms of cannabis are not being grown.

What happens if my test result is over 1%?

The likely cause of the elevated THC level will be important in determining what action will be taken, as agronomic factors outside the licence holder's control may be responsible. However, if a criminal intent

to conceal or grow other cannabis varieties (non-industrial hemp) is suspected, SA Police will be advised to begin criminal proceedings as appropriate.

What happens if I don't comply with the Act and licence conditions?

Non-compliance with the Act and licence conditions can result in the suspension or cancellation of a licence. If the non-compliance is prosecuted, or a licence holder is found to have possessed, cultivated processed or supplied industrial hemp not in accordance with their licence, there is a maximum penalty of \$15 000 or 12 months imprisonment or both.

Where can I source certified industrial hemp seed?

PIRSA is not a retailer of seed and is unable to assist with the acquisition of seed for cultivation, processing or research purposes. Industrial hemp seed may be available from one of the seed retailers located within Australia. Seed can also be imported but additional costs may be incurred due to the import requirements of the Commonwealth Office of Drug Control www.odc.gov.au/application-forms and Department of Agriculture and Water Resources www.agriculture.gov.au/import/online-services/bicon/bicon-permit

Industrial hemp seed varieties are developed for different climatic areas and growing conditions, so buyers should take this into account when sourcing seed. Regardless of the source, licence holders must obtain a THC analysis report, origin certificate, statutory declaration or other guarantee certifying that the purchased seed was harvested from a crop with a THC level of less than 0.5% and will typically produce industrial hemp crops with a THC level of not more than 0.5%.

Who can I sell my industrial hemp to?

The licence holder is responsible for finding a market for the industrial hemp seed and stem fibre cultivated under the licence. Viable industrial hemp seed can only be supplied within South Australia to the holder of an industrial hemp licence.

Can food produced from industrial hemp seed be sold for human consumption?

The sale of food derived from industrial hemp seeds became legal in Australia on 12 November 2017. In March 2017, Food Standards Australia and New Zealand approved that industrial hemp seed foods are safe for consumption provided they contain no more than the prescribed THC level and may provide a useful alternative dietary source of nutrients and polyunsaturated fatty acids, particularly omega-3 fatty acids.

How is industrial hemp different to medicinal cannabis?

The term medicinal cannabis covers a range of approved, quality assured pharmaceutical grade products intended for human therapeutic use, such as tablets, oils, tinctures and other extracts. The cultivation, production and manufacture of medicinal cannabis is regulated by the Commonwealth Government Office of Drug Control www.odc.gov.au/medicinal-cannabis

An industrial hemp licence *cannot provide authorisation for medicinal or related scientific purposes* as these purposes are within the Commonwealth's area of exclusive operation of the *Narcotic Drugs Act 1967*.

What is the difference between hemp seed oil and oil extracted from the leaves and flowering heads?

Industrial hemp seed and products derived from the seeds (such as hemp seed oil or protein powder) are approved in Australia for use as a food product provided they comply with prescribed THC and CBD levels.

Does hemp seed oil contain THC or cannabidiol (CBD)?

No. Hemp seed oil must be produced from industrial hemp seeds which do not contain THC or CBD. If the label states that it contains cannabinoids, such as CBD, it is not a legal food product and requires Special Access Scheme approval.

Hemp oil containing THC or CBD may only be accessed by prescription from a medical specialist who has been granted Special Access Scheme Approval or is an Authorised Prescriber. Products must be legally produced and manufactured to appropriate quality standards [patient access pathway for medicinal cannabis \(PDF 153KB\) \(opens in a new window\)](#)

Further information

For a copy of the Licence Application Form or assistance with the application process contact the Industrial Hemp Licensing Unit on 1300 799 684 or PIRSA.IndustrialHemp@sa.gov.au

For further information on industrial hemp licensing, advice for prospective growers and information on SARDI's research trials refer to www.pir.sa.gov.au/primary_industry/industrial_hemp

Research: Mark Skewes Research Scientist SARDI E: Mark.Skewes@sa.gov.au P: 08 8595 9149	Industry Development Advice: Bodhi Edwards Senior Industry Advisor PIRSA E: Bohdi.Edwards@sa.gov.au P: 08 8429 3132
Licensing: Michael McManus Manager Industrial Hemp Licensing PIRSA E: PIRSA.IndustrialHemp@sa.gov.au P: 1300 799 684	PIRSA Website: https://www.pir.sa.gov.au/primary_industry/industrial_hemp